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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

July 25, 2007

Teasdale Ranger District  
Dixie National Forest  
138 East Main Street  
P.O. Box 90  
Teasdale, UT 84773-0090

Subject: Surety Amount and Comments on Imagine Mine, Michael Terry, Imagine Mine, S0550027, Task 1853, Wayne County, Utah

Dear Sir or Madame:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations and has several comments, discussed in the enclosed letter, that need to be addressed before the Notice can be found complete.

The Division has calculated average reclamation costs for mines of five to about 20 acres and based on this information has determined standard reclamation costs for small mines (less than five acres). These costs are:

3-year escalation	\$5900 for the first acre, \$3700 for each subsequent acre
5-year escalation	\$6300 for the first acre, \$4000 for each subsequent acre

These figures assume there would not be any permanent structures or other features that would require additional money for reclamation.

For the Imagine Mine, the Division proposes that the surety be \$45000.00 (escalated three years). This is based on the following:

1.92 acres of disturbance	\$9600.00
8 drill holes	
Surface plugs (\$200 each)	\$1600.00
Subsurface plugging (\$4.50/foot, 6400 feet total)	\$28800.00
Mobilize drill rig	\$5000.00

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Teasdale Ranger District, Dixie National Forest

Page 2 of 2

S0550027

July 25, 2007

Total

\$45,000.00

Please let us know whether you consider this to be an adequate amount for the reclamation surety. If you have questions about this amount or about other aspects of this letter or the deficiency letter, please contact me at 801-538-5258 or Paul Baker at 801-538-5261.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:PBB:pb

Enclosure: Deficiency Letter

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